

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REVISED AGREEMENT FOR ELECTRIC	)	
SERVICE BETWEEN KENTUCKY UTILITIES	)	CASE NO.
COMPANY AND THE UNIVERSITY OF	)	2012-00101
KENTUCKY	)	

O R D E R

On February 20, 2012, Kentucky Utilities Company ("KU") filed a request for approval of a revised agreement under which it would provide electric service to the University of Kentucky's ("UK") campus in Lexington, Kentucky via four delivery points. The revised agreement eliminates a minor delivery point and adds another delivery point. The replacement delivery point is identified as the UK West 2 Substation. Pursuant to 807 KAR 5:041, Section 22, KU also requests a deviation from 807 KAR 5:041, Section 9(2), which requires a utility to regard each delivery point as an independent customer and to separately meter the power delivered to each point of delivery.

KU has provided electric service to UK under a single contract that is billed under KU's Time-of-Day Primary ("TODP") tariff. UK owns, operates, and maintains a distribution system and, from time to time, it shifts loads between the four delivery points through which it receives service from KU. Because of this load shifting, KU has historically totalized the loads at the four existing delivery points with a single billing, with each delivery point's demand being adjusted by the totalized power factor to provide the totalized peak demand. KU and UK are in agreement that by totalizing all

the deliveries and billing the individual contribution each delivery makes to the totalized peak on its own contract, the double billing of any shifted load will be avoided.

The revised agreement reflects a change requested by UK to eliminate a delivery point to be replaced by another delivery point as a result of growth and changes in UK's load. The proposed revised agreement allows UK's load to continue to be totalized and to be billed under the terms of the TODP tariff. The proposed revised agreement will become effective when KU commences service at the UK West 2 Substation, which is anticipated to occur on April 1, 2012.

Given that UK operates and maintains a private distribution system connecting its delivery points and that it periodically must shift its load between delivery points, the Commission finds it reasonable and appropriate for KU to continue to totalize UK's loads for billing purposes. In order to totalize UK's loads in this manner, KU must bill UK as a single customer although it will supply power to UK through four delivery points. Billing UK as a single customer requires a deviation from the provision of 807 KAR 5:041, Section (9)(2). The Commission finds the deviation reasonable under the facts presented and that it should be approved.

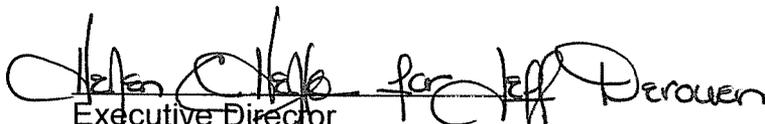
IT IS THEREFORE ORDERED that:

1. KU's proposed revised electric service agreement with UK is approved effective upon KU's commencement of service to UK via the new UK West 2 Substation.
2. KU is granted a deviation from 807 KAR 5:041, Section (9)(2) for billings to UK under the agreement approved herein.

By the Commission

ENTERED <sup>PA</sup>  
MAR 29 2012  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

Case No. 2012-00101

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